

9 charged in NIU 'coffee fund' investigation

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### Coffee Fund Charging Documents

SYCAMORE – The investigation into a Northern Illinois University employees' "coffee fund" has led to felony arrest warrants for eight employees and a former associate vice president.

Nine warrants were issued Tuesday in connection with the coffee fund, a nonuniversity bank account into which NIU employees deposited proceeds from recycling scrap metal from university buildings.

Some are charged directly with coffee fund activities, while others are charged with attempting to conceal evidence or theft of university property, records show. The charges are based on activities that began in October 2009.

Those charged are: Robert Albanese, the former associate vice president of the Division of Finance and Facilities, and Joseph Alberti, Mark Beaird, Keenon Darlinger, Michael Hall, Keith Jackson, Lawrence Murray, Kenneth Pugh and Susan Zahm.

All but Albanese still work at the university, NIU police Sgt. Alan Smith said.

Alberti and Jackson had their bond set at \$5,000 each, all the others had bond set at \$10,000 each.

Albanese turned himself in to NIU police Tuesday night and posted bail, Smith said. His court date is Oct. 26. Beaird, Pugh, Murray and Zahm turned themselves in to NIU police.

With the exception of Beaird, all were given Oct. 26 as a court date. Beaird will appear in court Nov. 2.

DeKalb County State's Attorney Clay Campbell said he couldn't comment on specific charges or whether additional charges are pending because the investigation is ongoing.

"I can say we are committed to following the facts wherever they may lead," he said.

The university is eager to figure out what happened, NIU Vice President of University Relations Kathy Buettner said.

"Northern Illinois University officials initiated the investigation that led to [Tuesday's] charges and are eager to get to the bottom of what happened," Buettner said. "These are serious allegations. As soon as additional information becomes available, we will provide further comment."

Jackson, NIU's controller, was named to a new three-person policy review committee formed Aug. 30 to review and update procedures related to property control, cash receipts, recycling and the disposition of surplus materials. He is charged with tampering with evidence.

In August, a DeKalb Iron and Metal Co. employee told the DeKalb Daily Chronicle that NIU employees had been making deposits into the fund with money from sales of university-owned scrap metal for the

past 25 years. The existence of the coffee fund account at a Castle Bank branch was the impetus for the investigation, Campbell said.

The coffee fund held \$2,187 when it was closed in August, NIU officials have said. Company records showed that more than \$13,000 from recycled scrap passed through the fund since 2005.

Jackson is charged with official misconduct, violation of the State Property Control Act and obstructing justice. According to court documents, he altered evidence of the coffee fund account by taking money from it and putting it into another account he controlled.

Albanese, who left the university July 31 after signing a separation agreement that said he faced “serious and substantial allegations of misconduct,” is charged with two counts of theft, official misconduct and violating the State Property Control Act.

Beard, Darlinger, Hall, Murray, Pugh and Zahm face the same charges. Court documents show Zahm and Darlinger managed the coffee fund. Zahm’s signature appeared on many of the canceled checks that DeKalb Iron and Metal provided to the Daily Chronicle.

Murray also is charged with two additional counts of theft. Court documents allege he took other university property, including a Samsung computer monitor.

Alberti is charged with theft of a Hewlett-Packard computer monitor.

According to court documents, those charged with official misconduct “failed to submit monies received from recycling property of Northern Illinois University to Central Management Services as required by the State Property Control Act.”

Those charged with violating the State Property Control Act did not recycle transferable property belonging to the state and in NIU’s possession in accordance with the rules of the Central Management Services department, according to court documents.

According to the NIU Materials Management website, Pugh is Materials Management Director and also is listed under Furniture Repair Services. Alberti is listed as the manager of Central Stores. Darlinger is listed under Special Orders for Central Stores. Murray is listed as the manager of Receiving and Property Control. Hall is listed as the manager of Distribution Services. Zahm is listed as the inventory record control supervisor of Property Control.

NIU police began their investigation Aug. 3 and turned it over to the state’s attorney’s office on Sept. 4, and the attorney general’s office on Sept. 5. Campbell announced in August that he was monitoring the criminal investigation and alleged misconduct at NIU. 9 charged in NIU ‘coffee fund’ investigation

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John Gordon, former Convocation Center director, also left July 31 after signing a severance agreement that cited misconduct. He has not been charged in connection with the coffee fund investigation.

Both men worked under the Division of Finance and Facilities, headed by Executive Vice President Eddie Williams.

Their separation agreements showed the university provided Gordon with six months of health insurance and three months’ salary when he resigned, worth about \$36,240 total.

The university also paid Albanese \$45,000 at the time of his resignation, which was based on his annual salary of \$198,553.